

Message Text

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C O N F I D E N T I A L QUEBEC 0035

E.O. 11652: GDS

TAGS: PINT, CA

SUBJECT: QUEBEC REACTION TO LEVESQUE'S NEW YORK SPEECH

1. BEGIN SUMMARY: REACTION IN QUEBEC TO LEVESQUE'S JANUARY 25TH SPEECH TENDS FOLLOW ALREADY SET PARTISAN LINES AND TO REINFORCE EXISTING APPREHENSION FOR ECONOMIC FUTURE OF PROVINCE. PREDICTABLY, PQ MEMBERS AND SUPPORTERS, MANY GOQ OFFICIALS, YOUNG QUEBECOIS, AND TRADE UNIONISTS GENERALLY HAPPY WITH POLITICAL TONE OF SPEECH STRESSING INDEPENDENCE BUT MORE THOUGHTFUL AMONG THEM ADMIT ECONOMIC PRESENTATION WEAKER. QUEBEC'S SMALL BUSINESS COMMUNITY JOINS OPPOSITION PARTY LEADERS AND MOST QUEBECOIS OVER 35 YEARS OF AGE IN CRITICIZING LEVESQUE'S SPEECH FOR IGNORING NECESSARY FINANCIAL DETAILS IN WHAT THEY DESCRIBE AS "WRONG SPEECH TO WRONG AUDIENCE." MUCH OF CRITISM FROM THESE ELEMENTS OF SOCIETY AIMED AT ASSUMPTION IN SPEECH THAT INDEPENDENCE IS VIRTUALLY ACCOMPLISHED FACT. IN THEIR VIEW LEVESQUE HAS REVERSED BASIS PQ ELECTION VICTORY WHICH WAS GOOD GOVERNMENT NOT INDEPENDENCE. PEOPLE SEEM TO BE EXTRACTING FROM MEDIA ACCOUNTS INTERPRETATIONS THAT REINFORCES THEIR OWN POLITICAL VIEW. ON BASIS FIRST REACTIONS PROVERBIAL QUEBECOIS IN THE
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STREET REMAINS APPREHENSIVE OF POSSIBLE ECONOMIC CONSEQUENCES OF PQ INDEPENDENCE POLICY BUT IS VERY PROUD OF LEVESQUE'S STATESMAN LIKE STANCE IN NEW YORK. FOR MANY, LEVESQUE IS BECOMING A FOLK HERO. HIS PERFORMANCE AS DANIEL IN LION DEN NOT LIKELY HURT THIS IMAGE. MOST COMMENTATORS LOCAL MEDIA STRESSED REAL REACTION OF WALL STREET TO LEVESQUE'S PRESENTATION WILL NOT BE KNOWN UNTIL NEXT BOND ISSUES OF GOQ

AND HYDRO-QUEBEC ARE OFFERED. MANY QUEBECOIS WILL, NO DOUBT, RESERVE FINAL JUDGEMENTS UNTIL THAT TIME. END SUMMARY.

2. GERARD D. LEVESQUE, LEADER OF THE LIBERAL OFFICIAL OPPOSITION TOLD PRESS CONFERENCE JANUARY 26 THAT "THE COMMITMENT TO INDEPENDENCE KEPT QUEBEC PREMIER FROM GIVING AMERICAN FINANCIAL COMMUNITY FULL EXPLANATION OF THE GENERAL ORIENTATION OF GOQ POLITICAL, ECONOMIC, AND SOCIAL POLICIES." IN SHORT, IN GERARD LEVESQUE'S VIEW, NOTHING NEW WAS SAID. HE CRITICIZED RENE LEVESQUE'S INSISTENCE ON IDEA THAT QUEBEC WAS IRREVOCABLY ENGAGED ON ROAD TO INDEPENDENCE. IN LIBERAL LEADER'S OPINION, ALL EVIDENCE POINTS TO CONTRARY AS VAST MAJORITY OF QUEBECOIS ARE AGAINST INDEPENDENCE. GERARD LEVESQUE DID ADMIT THAT PARTS OF LEVESQUE'S SPEECH CONCERNING GOQ VIEW ON NATIONALIZATION, MINES AND FORESTS WERE USEFUL CLARIFICATIONS BUT ADDED THAT EVERYONE WOULD HAVE LIKED MORE CLARITY ON LANGUAGE POLICY AND OTHER RESTRAINTS TO BE PLACED ON FOREIGN INVESTMENTS.

3. UNION NATIONALE LEADER RODRIGUE RIRON CALLED PREMIER'S MESSAGE "PARTIAL" IN THAT IT LEAVES MUCH STILL UNSAID. BIRON FELT THAT PREMIER BEHAVED IN NEW YORK MORE AS PQ LEADER THAN PREMIER OF QUEBEC. HE EXPRESSED HOPE LEVESQUE WILL BE MORE PRECISE AND PROPOSE REGULATIONS ON FOREIGN INVESTMENT AND "SECTORAL" APPROACH GOQ INTENDS TO FOLLOW IN SAID REGULATIONS. BIRON FEELS FOREIGN INVESTORS WILL AWAIT MORE DETAILS BEFORE INVESTING IN QUEBEC.

4. IN CONVERSATIONS WITH LOCAL BUSINESS COMMUNITY, WE FIND CONFIDENTIAL

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DISSATISFACTION WITH TONE AND SUBSTANCE OF LEVESQUE'S SPEECH ALONG LINES BOTH GERARD LEVESQUE AND RODRIGUE BIRON TOOK. HOWEVER, THIS SUBSTANTIVE CRITICISM IS TAPERED SOMEWHAT AMONG FRANCOPHONE BUSINESSMEN WITH A CERTAIN ADMIRATION FOR LEVESQUE'S "GUTS" IN PLAYING IN NEW YORK BIG LEAGUES. AS WE HAVE OFTEN REPORT-

TED, FRANCOPHONES - NO MATTER HOW RICH MATERIALLY - ARE STILL REACTING VISCERALLY FROM MEMORIES OF DAYS WHEN ANGLOPHONES HELD SEMI-COLONIAL POSITIONS HERE. AS FEW BUSINESSMEN ARE PQ SUPPORTERS, MANY RESENTED LEVESQUE'S ATTITUDE THAT INDEPENDENCE WAS UNSTOPPABLE. MOST OF OUR INTERLOCUTORS FEEL LEVESQUE FAILED TO GIVE NEW YORK FINANCIAL COMMUNITY NECESSARY DETAILS AND PROBABLY SCARRED HELL OUT OF NON-QUEBECOIS CANADIAN INVESTORS.

5. IN GOVERNMENTAL AND ACADEMIC CIRCLES, WE HEARD FOLLOWING COMMENTS: A MIDDLE LEVEL MINISTRY OF INTERGOVERNMENTAL AFFAIRS OFFICIAL THOUGHT LEVESQUE'S SPEECH WAS WEAK BUT WAS DESIGNED THAT WAY. IN HIS VIEW, LEVESQUE - WHO WROTE SPEECH

HIMSELF - COULD NOT SAY MORE IN OPEN, TELEVISED ADDRESS. WHAT COUNTS, IN LEBLANC'S VIEW, IS WHAT LEVESQUE ACCOMPLISHED IN HIS PRIVATE MEETINGS WITH FINANCIERS.

6. LEON DION, WIDELY RESPECTED LAVAL UNIVERSITY POLITICAL SCIENTIST, TOLD US THAT LEVESQUE'S REMARKS ON SOCIAL-DEMOCRACY WERE RECEIVED WELL ENOUGH BUT THAT THE PREMIER FAILED TO ADDRESS "THE ESSENTIAL". FOR DION, THIS CONSTITUTES HOW AND IN WHAT MANNER QUEBEC'S INDEPENDENCE FROM OTTAWA IS TO BE ACHIEVED. DION FEELS US BUSINESS COMMUNITY WANTS PROCESS ACHIEVED THROUGH CLOSE COLLOBARATION (NEGOTIATIONS) BETWEEN OTTAWA AND QUEBEC IN ORDER TO MAINTAIN CONTINUITY AND TRANQUILITY FAVORED BY INVESTORS. DION FEELS THAT THERE IS A BASIC CONTRADICTION IN LEVESQUE'S CALL FOR BOTH INDEPENDENCE AND ASSOCIATION. HE NOTED THAT ANY ECONOMIC ASSOCIATION IS GOING TO PLACE LIMITS ON POLITICAL INDEPENDENCE OR SOVEREIGNTY.

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7. A POLITICAL LOBBYIST AND FOMER PQ OFFICIAL WHO RETAINS CLOSE RELATIONS IN PQ CIRCLES, TOLD US THAT LEVESQUE HAD MADE VERY GOOD, CLEVER SPEECH ON POLITICAL LEVEL. IT WAS ADDRESSED AS MUCH TO CROSS-CANADA AND QUEBEC AUDIENCES AS TO US ECONOMIC COMMUNITY. WHILE IT LACKED ECONOMIC DETAIL FINANCIERS NO DOUBT WANTED, IT GOT POLITICAL MESSAGE ON INDEPENDENCE ACROSS IN CANADA. "IT WAS MORE LIKE A SPEECH A CHIEF OF STATE WOULD GIVE AT UN." BOIVIN ADDED NOTING THAT QUEBECOIS WERE VERY PROUD OF WHAT MOST CONSIDER LEVESQUE'S EXCELLENT PERFORMANCE IN NEW YORK. THAT HOLDS FOR ALL BUT THE VERY RADICAL IN HIS VIEW. A FEW OF THE LATTER WILL SAY HE PROSTITUTED HIMSELF TO NEW YORK MONEY MARKET. BUT MOST "RADICALS" AS WELL AS MOST OTHER QUEBECOIS ARE FINDING THE FATHER FIGURE AND/OR PARAMONT CHIEF IN LEVESQUE THAT THEY HAVE SEARCHED FOR SINCE DUPLESSIS DEATH. SOURCE CONCLUDED THAT SPEECH WAS GOOD FOR LEVESQUE, GOOD FOR GOQ AND GOOD PREPARATION FOR REFERENDUM BUT DOUBTED IT WAS SO GOOD FOR NEW YORK FINANCIAL AUDIENCE.

8. FRENCH LANGUAGE CBC TELEJOURNAL JANUARY 26 TRANSMITTED WITHOUT TRANSLATION A VERY TOUGH, HIGHLY EMOTIONAL, ANTI-LEVESQUE DIATRIBE MADE AFTER PREMIER'S SPEECH BY A US FINANCIER BUT BALANCED IT WITH FAVORABLE FRENCH-LANGUAGE ANALYSIS BY CLAUDE RYAN OF LE DEVOIR AND OWNER OF CANADIAN HOCKEY TEAM. NETWORK ALSO PICKED UP BUSINESS COMMENTARY FROM MONTREAL AND JOURNALIST COVERAGE FROM TORONTO AS WELL AS LIBERAL, PC, AND NDP REACTIONS FROM OTTAWA. COVERAGE FINISHED WITH GERARD D. LEVESQUE AND RODRIGUE BIRON STATEMENTS. HENCE, PROBABLY IN-ADVERTENTLY, TONE OF PRESENTATION WAS IN SOME DEGREE UNFAVORABLE TO LEVESQUE'S SPEECH GIVEN GNERALLY ACCEPTED VIEW THAT RADIO CANADA JOURNALISTS ARE MAINLY SEPARATISTS. HOWEVER, COVERAGE WAS SO CONSTRUCTED AS TO LEAD AVERAGE QUEBECOIS TO FEEL ANGLOPHONES

WERE "GANGING UP" ON OUR RENE.

9. LE SOLEIL EDITORIAL JANUARY 26 BY MANAGING EDITOR CLAUDE
BEAUCHAMP STATES LEVESQUE'S SPEECH CLOSED WITH BUSTO HIS TWO-
DAY OPERATION CHARM IN NEW YORK. PAPER WRITES LEVESQUE
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KNEW HOW TO USE FRANK AND DIRECT LANGUAGE TO CONVINCE FINANCIERS
WITHOUT BEING AGGRESSIVE. HE DID NOT CAMOUFLAGE GOQ'S FUN-
DAMENTAL INDEPENDENCE OPTION. BEAUCHAMP FEELS LEVESQUE
CONTINUED TRADITION OF ALL RECENT QUEBEC PREMIERS IN REASSURING
AMERICANS ABOUT "NATIONALIST" POLICIES, HOWEVER, AS AUDIENCE
ALREADY HAD GOOD KNOWLEDGE QUEBEC, PREMIER SHOULD HAVE GONE
BEYOND LEVEL OF GENERALITIES IF HE WANTED TO BE TAKEN
SERIOUSLY. IN PAPER'S VIEW, LEVESQUE SAID NOTHING NEW BUT
DID PRESENT A PRECISE SYNTHESIS OF GOQ'S SHORT-TERM ECONOMIC
OPTIONS. AS LEVESQUE STATED ONLY INTENTIONS, HE UNDOUBTEDLY
DID NOT CONVINCE EVERYONE.

10. LESOLEIL EDITORIAL CONTINUES THAT LEVESQUE MUST NOW PROVE
THAT HE CAN FULFILL HOPES RAISED IN POPULATION WITHOUT
INCREASING TAXES AND THAT PQ'S MORE RADICAL ELEMENTS CAN BE BROUGHT
TO ACCEPT PQ'S REALISM IN ITS SOCIAL-ECONOMIQUE PROPOSALS.
THIS WILL NOT BE EASY, LESOLEIL OPINS, AND IF HE SUCCEEDS,
HE WILL HAVE WON ONLY FIRST BET - DEMONSTRATING HIS GOVERNMENT
IS SERIOUS AND EFFICIENT. AFTER THAT, NEXT STEP
WOULD BE INDEPENDENCE AND THERE HE WILL FACE SERIOUS POLITICAL
OPPOSITION. BEAUCHAMPS CONCLUDES OPERATION - CHARM APPARENTLY
SUCCEEDED IN ESTABLISHING AMICABLE WALL STREET - QUEBEC CITY
RELATIONS, BUT PROOF WILL COME IN NEXT FEW WEEKS WHEN INTEREST
RATE IS SET FOR NEW GOQ AND HYDRO-QUEBEC BOND OFFERS.
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